

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	CRIMINAL NO. 01-
)	
V.	)	<u>Count 1</u>
	)	Conspiracy to
ANDREW JAMES XERON	)	Distribute MDMA
also known as "Drew"	)	21 U.S.C. §§ 841(a)(1) & 846)
(Counts 1-2))	
	)	<u>Forfeiture</u>
ARMIN ELAHI	)	Forfeiture of Drug Related Assets
also known as "China"	)	21 U.S.C. 853
(Count 1))	
	)	<u>Count 2</u>
JASON ALAN FOX	)	Money Laundering With Intent
(Count 1)	)	to Conceal and Disguise
	)	18 U.S.C. 1956(a)(1)(B)(i)
AVADESH KUMAR GULATI)	
also known as "Deshu")	
(Count 1))	
)	
KENNETH RICHARD GODFREY)	
also known as "Kenny")	
(Count 1))	

INDICTMENT

MAY 2001 TERM - At Alexandria

Count 1

THE GRAND JURY CHARGES THAT:

From on or about June 1, 1999, and continuing thereafter through on or about March 28, 2001, in the Eastern District of Virginia and elsewhere, the defendants ANDREW JAMES XERON, also known as "Drew," ARMIN ELAHI, also known as "China," AVADESH KUMAR GULATI, also known as "Deshu," JASON ALAN FOX and KENNETH RICHARD GODFREY, also known as "Kenny," did unlawfully, knowingly, and intentionally combine, conspire, confederate and

agree together and with other persons known and unknown to the grand jury, to unlawfully, knowingly and intentionally distribute a quantity of a mixture and substance containing a detectable amount of 3,4 methylene-dioxymethamphetamine (MDMA), commonly known as ecstasy, a Schedule I controlled substance, in violation of Title 21, United States Code, Section 841(a)(1).

WAYS, MANNER AND MEANS TO ACCOMPLISH THE CONSPIRACY

The primary purpose of the conspiracy was to make as much money as possible through the distribution of MDMA within the Eastern District of Virginia, Maryland and Washington, D.C., and elsewhere. The ways, manner and means by which this purpose was carried out included the following:

1. It was part of the conspiracy that the defendants and the conspirators played different roles and took upon themselves various tasks and participated in the affairs of the conspiracy through various criminal acts. Some of the roles that the defendants and unindicted conspirators assumed and carried out included, among others, organizer, manager, financier, supplier, courier, distributor, enforcer and money launderer.

2. It was a further part of the conspiracy that ANDREW JAMES XERON and ARMIN ELAHI regularly directed AVADESH KUMAR GULATI to travel to New York, via AMTRAK, to obtain about five to ten thousand MDMA pills and user quantities of GHB per week from a source of supply who had been provided by ARMIN ELAHI.

3. It was a further part of the conspiracy that ANDREW JAMES XERON and ARMIN ELAHI provided tens of thousands of dollars per trip to AVADESH KUMAR GULATI to pay for the MDMA pills that JASON ALAN FOX, KENNETH RICHARD GODFREY and Carlos Manco, named as a conspirator but not as a defendant herein, and others had ordered.

4. It was a further part of the conspiracy that AVADESH GULATI and other conspirators counted and re-packaged tens of thousands of MDMA pills per week at GULATI's residence for further distribution to Carlos Manco, JASON ALAN FOX, KENNETH RICHARD GODFREY and other unindicted conspirators.

5. It was a further part of the conspiracy that ANDREW JAMES XERON and ARMIN ELAHI paid AVADESH GULATI and an unindicted conspirator a weekly salary to order, collect, package and distribute the MDMA pills.

6. It was a further part of the conspiracy that ANDREW JAMES XERON and ARMIN ELAHI determined the total amount of MDMA pills that they would order from their supplier and the prices that Carlos Manco, JASON ALAN FOX, KENNETH RICHARD GODFREY and other lower-level distributors would pay to them for each order of MDMA pills.

7. It was a further part of the conspiracy that ANDREW JAMES XERON paid KENNETH RICHARD GODFREY to provide physical protection to him during drug transactions and XERON further

utilized GODFREY as an "enforcer" to intimidate other conspirators and customers.

8. It was a further part of the conspiracy that the defendants and their conspirators derived large sums of money from the distribution of MDMA.

9. It was a further part of the conspiracy that the defendants used drug proceeds to purchase real property and expensive automobiles, often in the names of other individuals, to conceal the source, location and ownership of their drug proceeds.

10. It was a further part of the conspiracy that the defendants and their conspirators used telephone paging devices and telephone communications to facilitate their drug trafficking activities.

11. It was a further part of the conspiracy that the defendants and their conspirators used various methods to conceal the conspiracy and their unlawful drug distribution activities in order to insure the continuing existence and success of the conspiracy.

OVERT ACTS

In furtherance of the said conspiracy and to achieve its objectives, the defendants and their conspirators committed, and caused to be committed, the following acts, among others, in the Eastern District of Virginia and elsewhere:

1. On or about October 17, 2000, in Loudoun County, Virginia, within the Eastern District of Virginia, an unindicted member of the conspiracy distributed about 46 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to an undercover officer for about \$1,000 in undercover funds.

2. On or about October 24, 2000, in Loudoun County, Virginia, within the Eastern District of Virginia, a second unindicted conspirator sold about 150 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to an undercover officer for about \$2,350 in undercover funds.

3. On or about January 22, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, a third unindicted conspirator, who later became a cooperating witness (CW-1), sold about 70 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to an undercover officer for about \$1,240 in undercover funds.

4. On or about February 2, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, CW-1 sold about 57 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to an undercover officer for about \$1,000 in undercover funds.

5. On or about February 3, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, at the direction of law enforcement officers, and in furtherance of his

cooperation, CW-1 delivered about \$1,640 in undercover funds for a pre-existing drug debt to a fourth unindicted conspirator.

6. On or about February 8, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, the fourth unindicted conspirator sold about 200 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to CW-1, who was cooperating with law enforcement agents, for about \$1,500 in undercover funds.

7. On or about February 8, 2001, in Centreville, Virginia, within the Eastern District of Virginia, law enforcement officers seized about \$6,000 in drug proceeds from the residence of the fourth unindicted conspirator, who subsequently became a cooperating witness (CW-2).

8. On or about February 8, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, at the direction of law enforcement, and in furtherance of his cooperation, CW-2 delivered about \$2,400 in undercover funds for a pre-existing drug debt to a fifth unindicted conspirator.

9. On or about February 10, 2001, in Fairfax County, Virginia, within the Eastern District of Virginia, ANDREW JAMES XERON remitted about \$2,500 in cash drug proceeds to Moore Cadillac of Tysons Corner, Virginia, to purchase a black 2001 Cadillac DeVille, VIN 1G6KF57941U126027, and directed that the sale be documented in a manner that indicated that the vehicle

had been purchased by another party who accompanied XERON to the transaction.

10. On or about February 27, 2001, in Fairfax County, Virginia, within the Eastern District of Virginia, the fifth unindicted conspirator, who subsequently became a cooperating witness (CW-3), sold about 500 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to CW-2 for about \$6,000 in undercover funds.

11. Between February 19, 2001 and March 2, 2001, in the Washington, D.C., metropolitan area, a sixth unindicted conspirator distributed about 3,000 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to JASON ALAN FOX and 100 pills to KENNETH RICHARD GODFREY.

12. On or about March 2, 2001, in Loudoun County, Virginia, within the Eastern District of Virginia, the sixth unindicted conspirator sold about 375 MDMA pills, that ANDREW JAMES XERON and ARMIN ELAHI had provided, to CW-3 and received from CW-3 about \$5,500 in undercover funds to pay for a pre-existing MDMA debt. The sixth unindicted conspirator subsequently became a cooperating witness (CW-4).

13. On or about March 8, 2001, in Washington, D.C., AVADESH GULATI possessed about \$36,000 in cash that he had obtained from ANDREW JAMES XERON and ARMIN ELAHI in order to purchase thousands of MDMA pills from a source of supply in New York.

14. On or about March 12, 2001, ANDREW JAMES XERON contacted law enforcement officials to claim the \$36,000 cash that was seized from AVADESH GULATI on March 8, 2001, in Washington, D.C.

15. On or about March 14, 2001, in Bethesda, Maryland, ANDREW JAMES XERON paid KENNETH RICHARD GODFREY \$200 to provide physical protection to him when he accepted about \$3,000 cash from an undercover police officer as payment for the drug debt of CW-3.

16. On or about March 27, 2001, in Silver Spring, Maryland, Carlos Manco provided about \$9,500 cash to CW-4 as pre-payment for the purchase of about 1,000 MDMA pills.

17. On or about March 27, 2001, in Silver Spring, Maryland, at the direction of ANDREW JAMES XERON, and under the supervision of law enforcement agents, CW-4 delivered about \$8,900 in cash to ARMIN ELAHI so ELAHI could purchase a quantity of MDMA pills in New York.

_____ (In violation of Title 21, United States Code, Section 846.)

FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

Each of the defendants herein, if convicted of any of the violations charged in this Indictment, shall forfeit to the United States, pursuant to Title 21, United States Code, Section 853, any property constituting, or derived from, any proceeds the defendants obtained, directly or indirectly, as the result of each such violation; and any of their property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of each such violation. This property includes, but is not limited to, the following property with respect to each such count of the Indictment: \$500,000. The \$500,000 identified above may include, but is not limited to the following property, each part of which may also be forfeitable as substitute property pursuant to Title 21, United States Code, Section 853(p):

1. One 2001 black Cadillac DeVille, VIN 1G6K57941U126027;
2. \$36,000 U.S. currency seized from Avadesh Gulati on March 8, 2001, in Washington, D.C.;
3. The real property and premises known as 19028 Amarillo Drive, Germantown, Maryland 20874;
4. \$10,500 deposited in Account Number 113-327672-5 at Chevy Chase Bank, PO Box 1296, Laurel, Maryland 20707;
5. \$5,000 remitted on February 18, 2001, to Richmond American Homes, 4061 Powder Mill Road, Suite 500 Calverton, Maryland, 20705, as earnest money for the purchase of the real

property and premises described as 18004 Wildman Court, Boydes, Maryland 20841.

6. \$50,000 deposited in Account Number 475-88-4107 at Bank-Fund Federal Credit Union, 1818 H Street, N.W., Washington, D.C., 20433.

(Pursuant to Title 21, United States Code, Section 853.)

COUNT 2

THE GRAND JURY FURTHER CHARGES THAT:

On or about February 10, 2001, in Fairfax County, Virginia, within the Eastern District of Virginia, the defendant, ANDREW JAMES XERON, did unlawfully and knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, that is the purchase of a 2001 black four-door Cadillac DeVille, VIN 1G6K57941U126027, which purchase involved the proceeds of a specified unlawful activity, that is, the unlawful distribution of controlled substances, including MDMA, in violation of Title 21, United States Code, Section 841, knowing that this transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of said specified unlawful activity, and that the property involved in this financial transaction, that is the

funds paid to the automobile dealership, represented the proceeds of some form of unlawful activity.

(In violation of Title 18, United States Code, Section 1956(a) (1) (B) (i).)

A TRUE BILL:

FOREPERSON OF THE GRAND JURY

KENNETH E. MELSON
UNITED STATES ATTORNEY

Kimberly Riley Pedersen
Special Assistant U. S. Attorney